

1H 2017 Results

1 August 2017



Disclaimer

This document has been prepared by Falck Renewables S.p.A. (the "**Company**") for use during meetings with investors and financial analysts and is solely for information purposes. The information set out herein has not been verified by an independent audit company.

Neither the Company nor any of its subsidiaries, affiliates, branches, representative offices (the "**Group**"), as well as any of their directors, officers, employees, advisers or agents (the "**Group Representatives**") accepts any responsibility for/or makes any representation or warranty, express or implied, as to the accuracy, timeliness or completeness of the information set out herein or any other related information regarding the Company and/or Group, whether written, oral or in visual or electronic form, transmitted or made available.

This document may contain forward-looking statements about the Company and/or the Group based on Company's current views, beliefs, expectations, opinions, as well as based *on current plans, estimates, assumptions, projections and projects of the Company and/or Group*. These forward-looking statements are subject to significant risks, uncertainties and other factor (many of which are beyond the Company and/or the Group's control) which might cause actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by these forward-looking statements. Given these risks, uncertainties and other factors, you should not place undue reliance on the forward-looking statements in this document.

The information set out in this document is provided as of the date indicated herein. Except as required by applicable laws and regulations, the Company assumes no obligation to provide updates of any of the aforesaid forward-looking statements or to conform these statements to its actual results.

Under no circumstances shall the Company, the Group and/or any of the Group Representatives be held liable (for negligence or otherwise) for any loss or damage howsoever arising from any use of this document or its contents or otherwise in connection with the document or the aforesaid forward-looking statements.

This document does not constitute an offer to sell or a solicitation to buy or subscribe the shares of the Company or Group and neither this entire document or a portion of it may constitute a recommendation to effect any transaction or to conclude any legal act of any kind whatsoever.

This document may not be reproduced or distributed, in whole or in part, by any person other than the Company.

By viewing and/or accepting a copy of this document, you agree to be bound by the foregoing limitations.

Agenda

1H 2017 Highlights		4
1H 2017 Results		10
Conclusions		17
Appendix		21

1H 2017 HIGHLIGHTS



1H 2017 Highlights



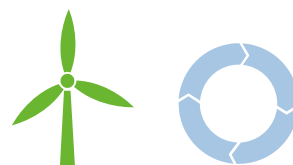
Strong 1H results vs same period 2016 (+9.6% EBITDA):

- Better production compared to 1H 2016 (+1.6%), offset by lower than expected wind conditions in Italy, France and Spain
- Mitigated the impact of pound exchange ratio (- 9.5% YoY)
- Better prices in Italy (+14%), UK (+11%) and Spain (+112%)



Stable NFP and reduced financial charges

- Average interest rate 3.85% in 1H 2017 (down from 4.6% in 1H 2016)
- Strong performance by Vector Cuatro
- NFP below FY 2016 levels, primarily due to good cash flow generation
- Increase of useful life in wind and solar group assets (positive impact on net income)



Progress on pipeline and client services to support future growth

- Signed acquisition of two wind projects in Norway (70MW) + 125 MW pipeline
- Start up and agreement with local developer in the Netherlands for greenfield projects
- Vector Cuatro: reached 1,766 MW under management (of which 17% wind assets) in progress of ~ 35% since the Capital Market Day

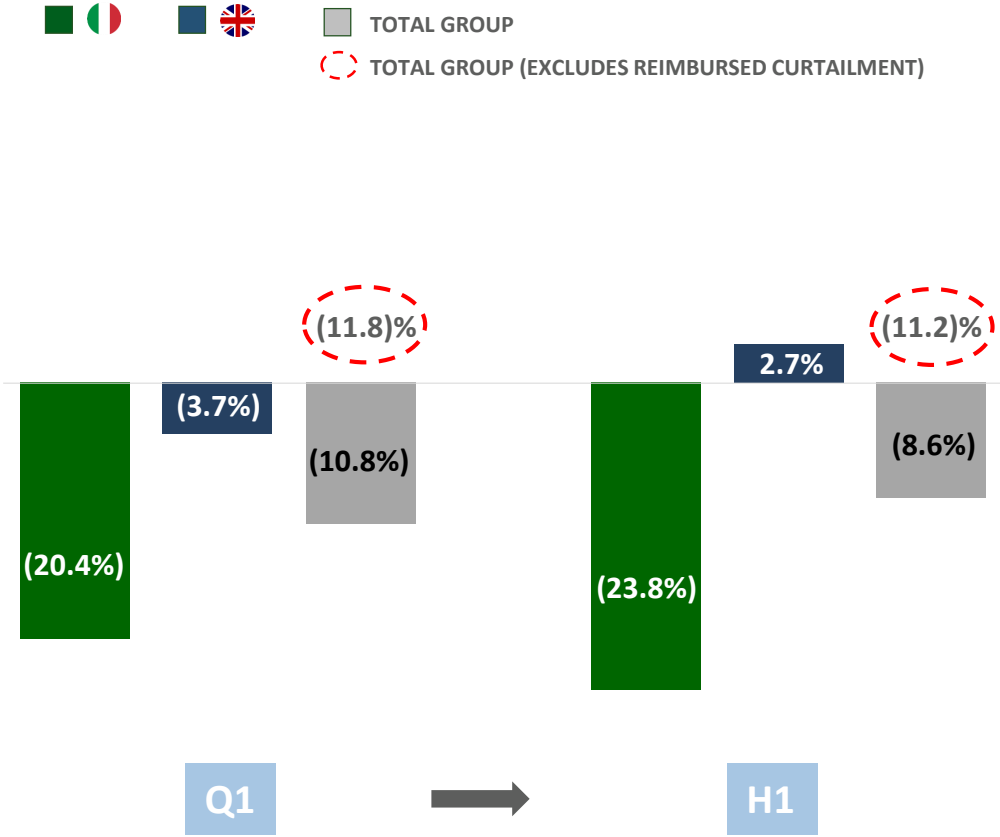
1H 2017 Results Ahead of Expectations (€M)

	1H2017	1H2016	YoY Change
REVENUES	141.0	128.6	+12.4
EBITDA <i>% on revenues</i>	78.2 55.5%	71.3 55.5%	+ 6.9
EBIT	43.9	35.7	+ 8.2
EARNINGS BEFORE TAXES	25.4	16.6	+ 8.8
NET EARNINGS	19.5	11.0	+ 8.5
GROUP NET EARNINGS	12.8	9.0	+ 3.8
NFP	(541.2)	(562.0)*	+20.8
INSTALLED CAPACITY	821 MW	760 MW	+ 61 MW
ENERGY PRODUCTION	1,000 GWh	984 GWh	+16 GWh

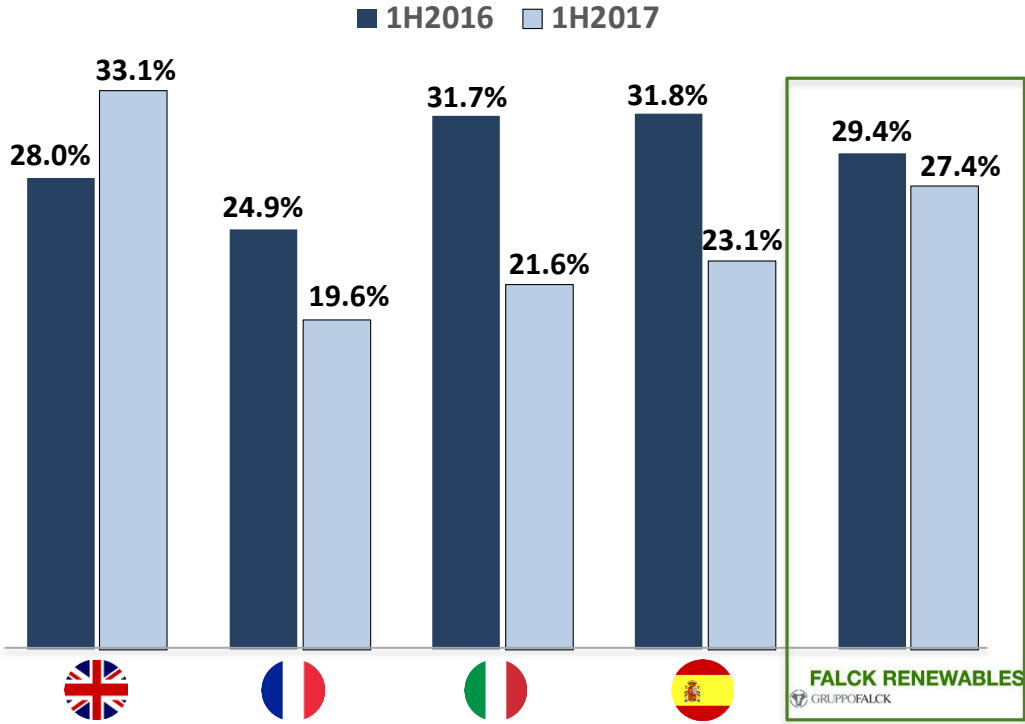
FY 2017 guidance confirmed

1H 2017 Wind Portfolio Performance

UK & Italy: Evolution of Production**



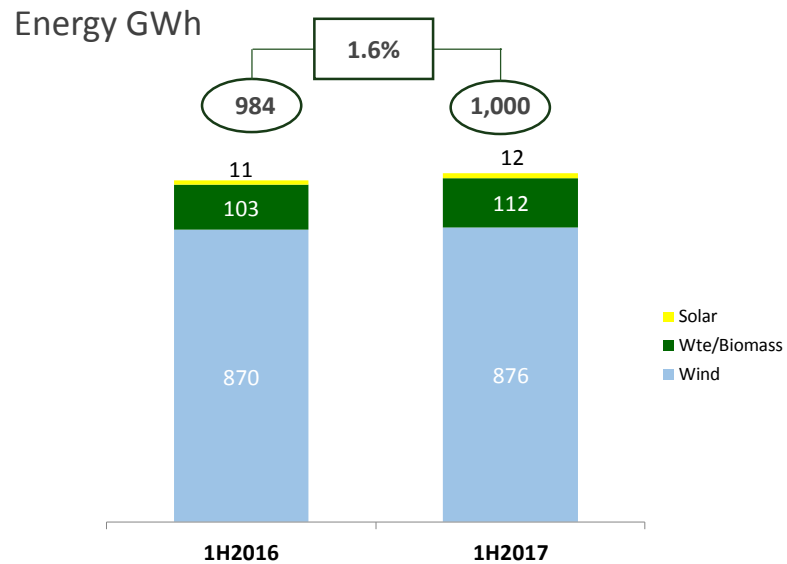
1H 2017 vs 1H 2016: Load Factor* by Country



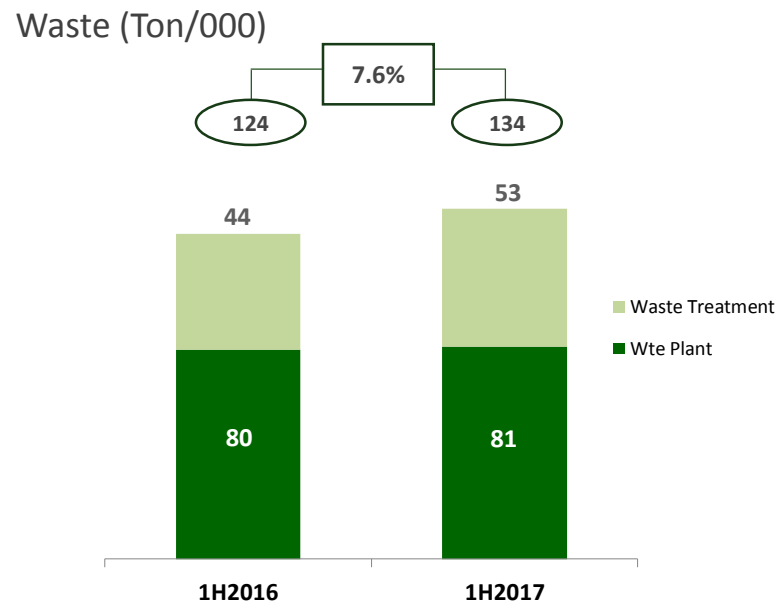
** variation % vs internal Index of production

* Based on effective operating hours

Production in 1H 2017 (Electricity & Waste)



Positive impact from strong wind conditions in June and full contribution from Kingsburn, Spaldington and Assel Valley wind farms. Auchrobert wind farm has been operational since April 2017.

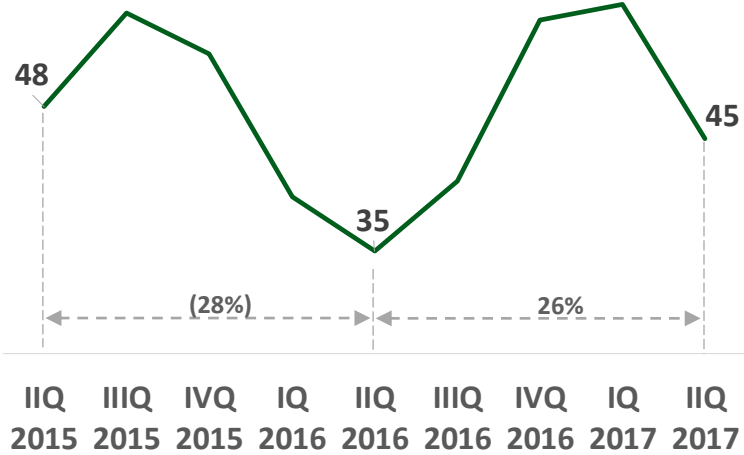


- Negatively impacted by lower wind conditions YoY
- Energy from waste/biomass better than year ago period primarily due to Biomass performance
- Increase in Waste treatment volumes
- Positive performance of solar

Market Average Price



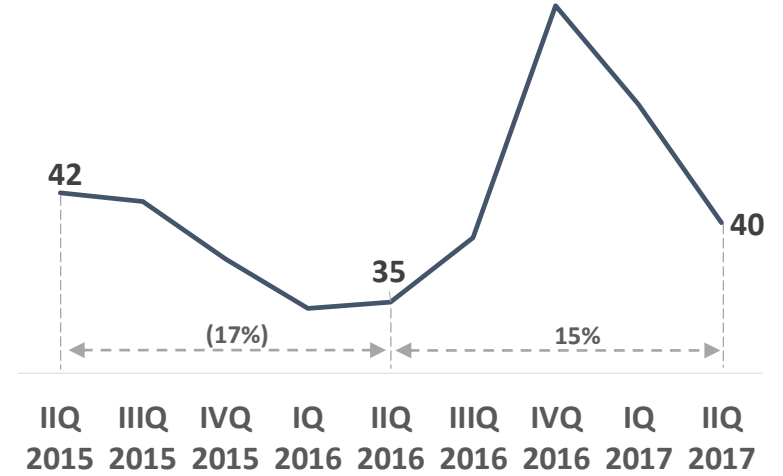
€/MWh



WHOLESALE PRICE*

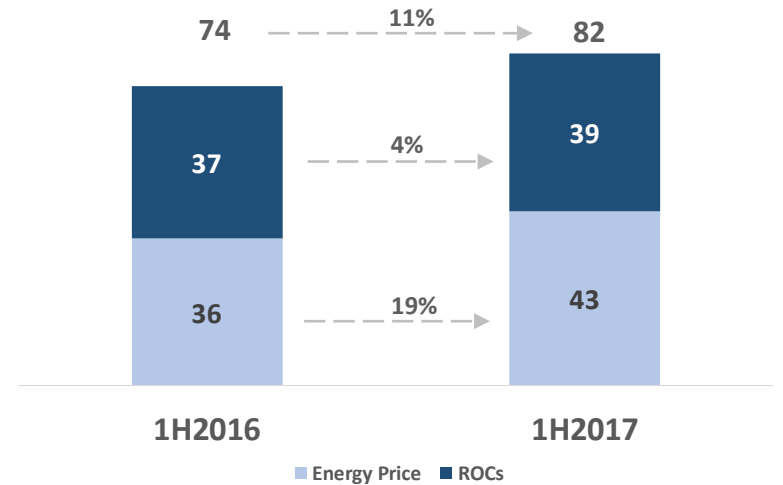
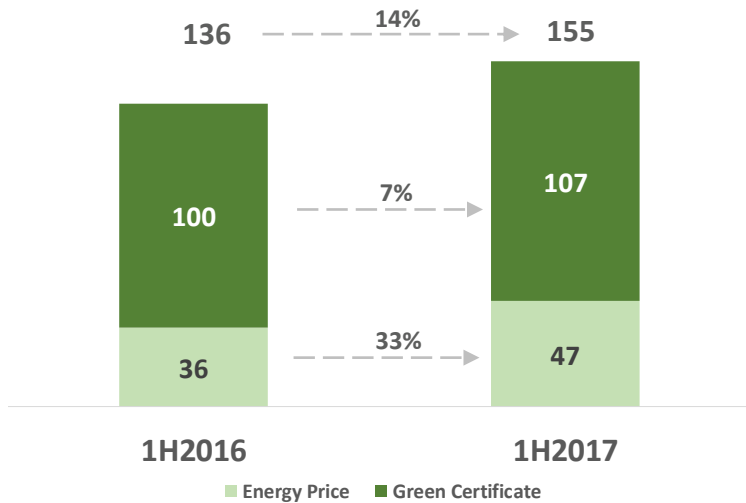


GBP/MWh



Euro/MWh	1H2016	1H2017	Δ %
	91	92	-
	24	50	112%

«GROUP» PRICE



1H 2017 RESULTS



New useful life for Wind and PV plants

Falck Renewables portfolio is composed by a **young fleet** with a presence in 4 countries

7 years of average life

Technical assessment performed by experts through an analytical approach for the calculation of useful life **plant by plant** taking into consideration:

- Existing **technical conditions**
- Duration of planning **permissions and land leases**

22,5 years on average vs. **20 years**

New **Depreciations** due to increased useful life applied from **1 January 2017**

€M 4.3 impact on **1H**

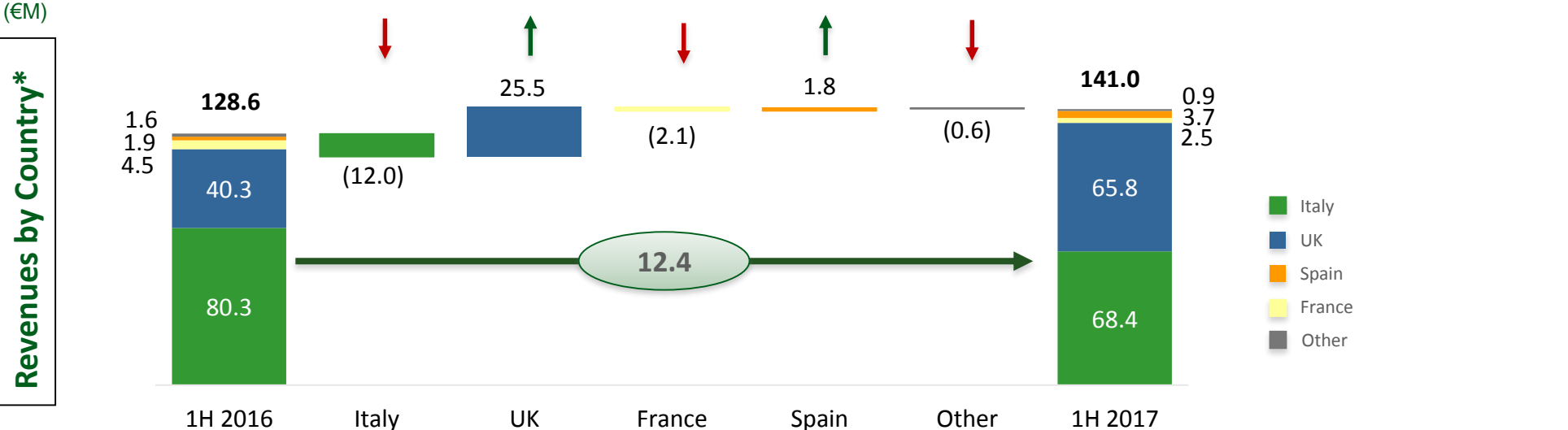
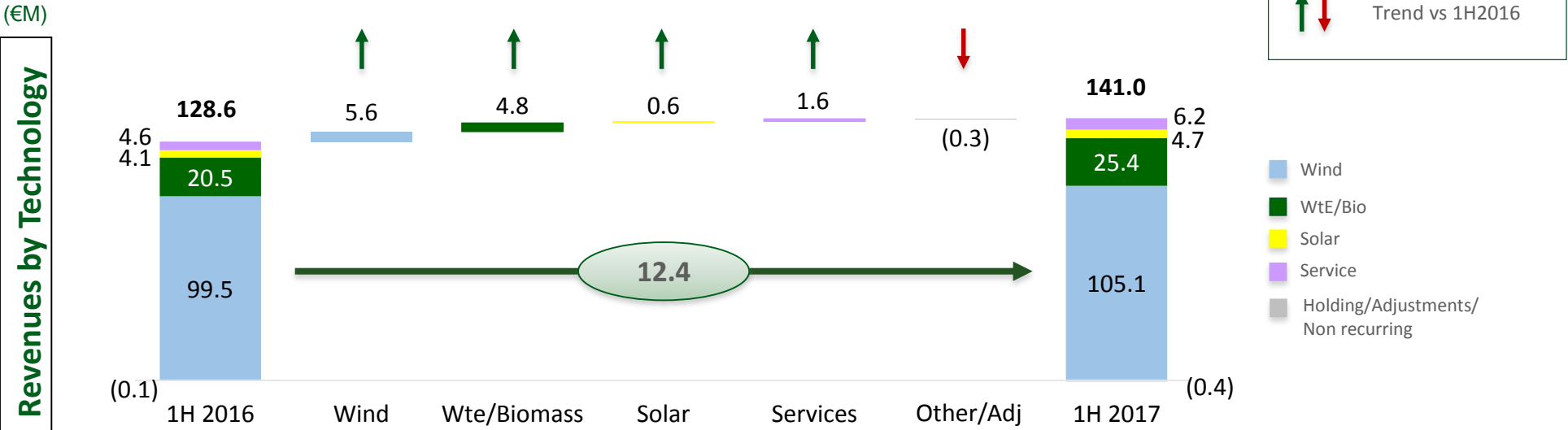
1H 2017 Financial Highlights

(€M)	1H2017	1H2016	
Revenues	141.0	128.6	9.6%
Other income	3.6	2.6	
Operating costs	(66.4)	(59.9)	
EBITDA	78.2	71.3	9.6%
<i>% on Revenues</i>	<i>55.5%</i>	<i>55.5%</i>	
Depreciation - Amortization - Write Off	(34.3)	(35.6)	
Operating result	43.9	35.7	22.9%
<i>% on Revenues</i>	<i>31.1%</i>	<i>27.8%</i>	
Financial income and charges	(19.6)	(20.0)	
Equity investments	1.1	0.9	
Earnings Before Taxes	25.4	16.6	53.1%
Taxes	(5.9)	(5.5)	
Net Earnings	19.5	11.0	76.6%
Minorities	6.7	2.0	
Group Net Earnings	12.8	9.0	41.9%

Breakdown (€M)	1H 2017	1H 2016
Depreciation	(29.1)	(32.1)
Provision	(4.8)	(3.5)
Write – off / Revaluation	(0.4)	

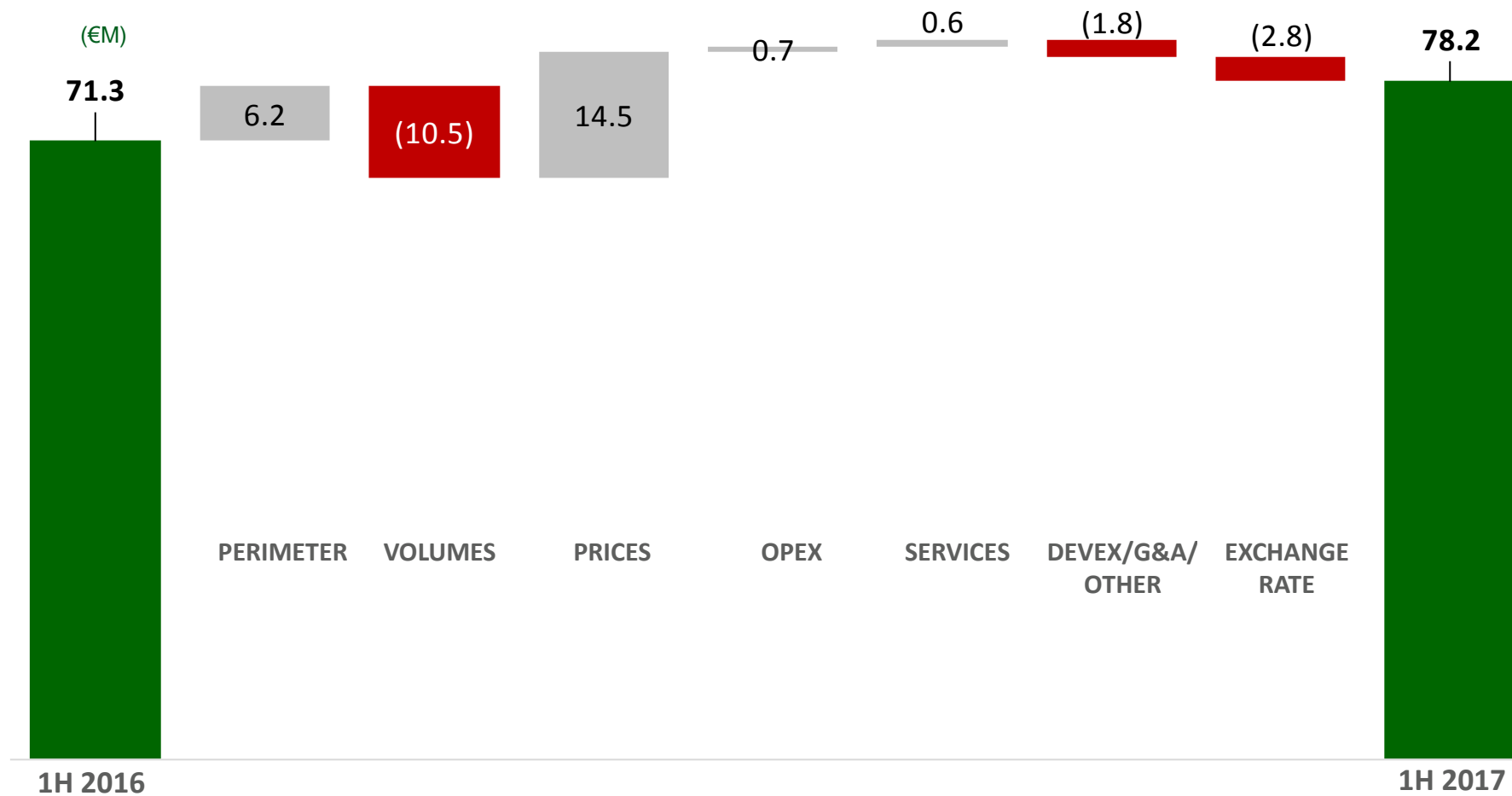
(€M)	END OF 1H2017	END OF 2016
Net Invested Capital	1,024	1,038
Equity	482	476
Net Financial Position	(541)	(562)
<i>of which: Proj. Fin. and MLT no recourse</i>	<i>(717)</i>	<i>(735)</i>
NFP excluding Derivatives Instruments	(492)	(503)
NFP / Equity	1.12x	1.18x

1H 2017 Revenues

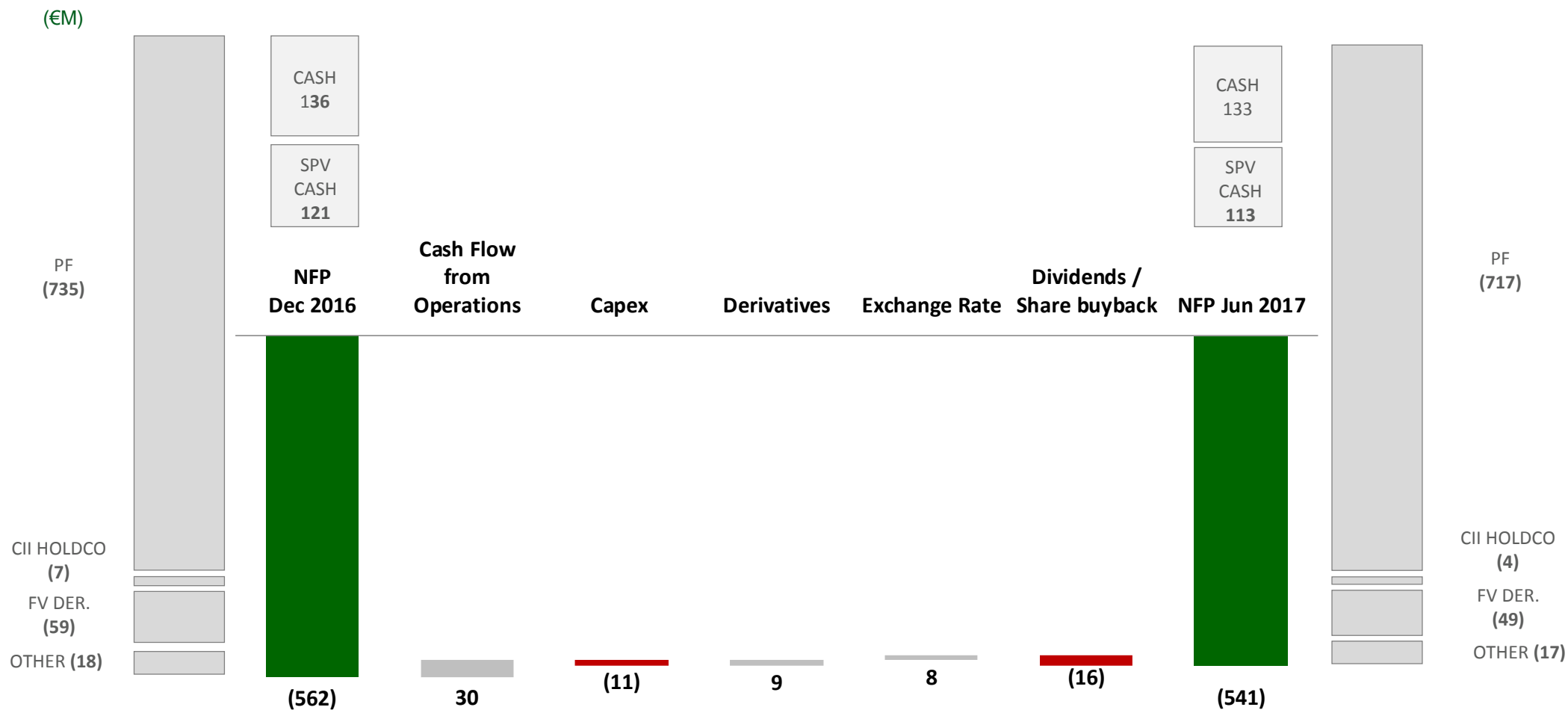


* By origination

1H 2017 EBITDA Bridge

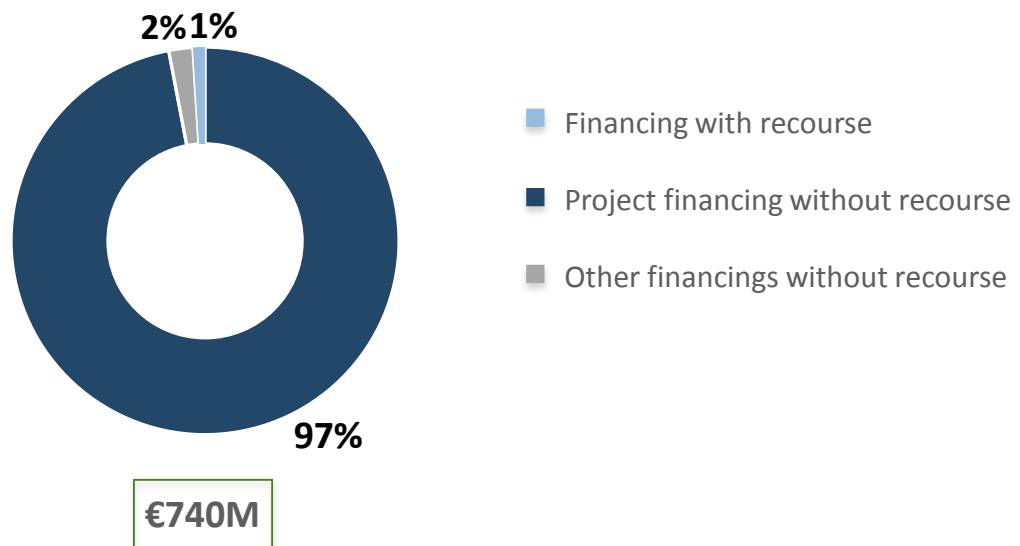


1H 2017 Cash Flow

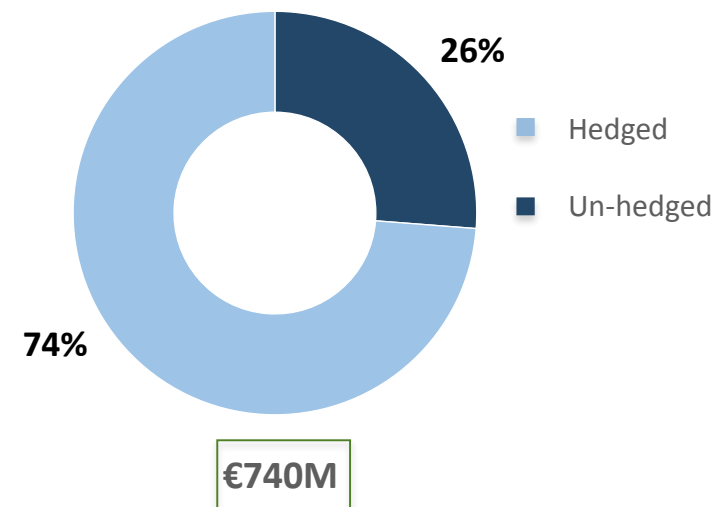


1H 2017 Debt Breakdown

Gross Debt Nature Without Derivatives



% Gross Debt Without Derivatives Hedged



Average interest rate of **3.85%** (including interest rate swap)

CONCLUSIONS

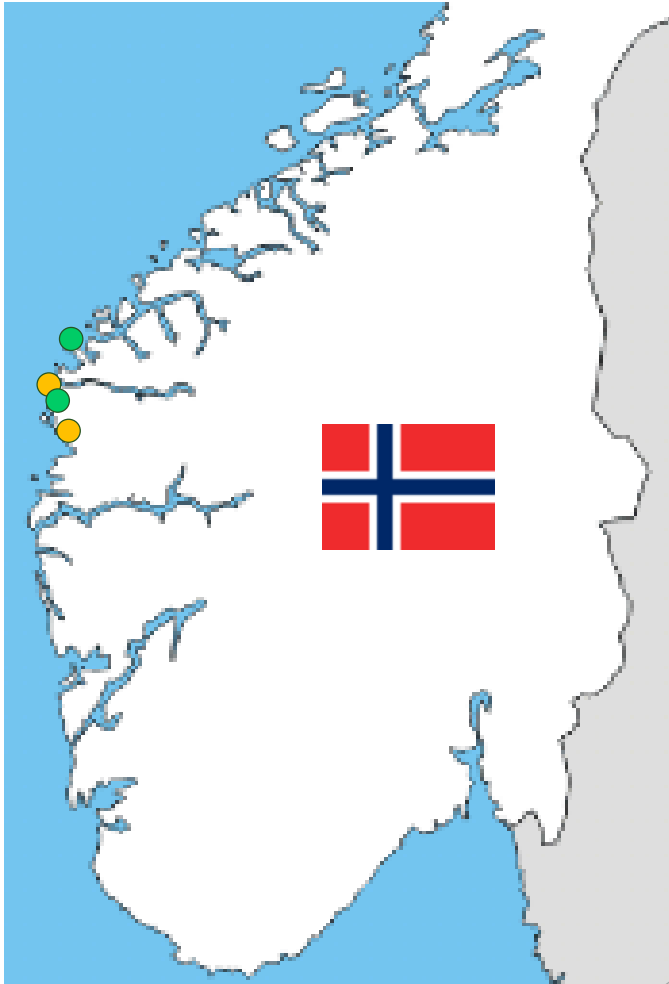


Norway: a market with solid fundamentals

~70 MW
(Hennøy and Okla)
COD as early as end of 2019 depending on final investment decision



~ 125 MW
(option on projects under development)



- «AAA» country rating
- Liquid energy market
- Partners with significant track record in renewables

~ 3,500 wind hours expected

Liquid market to stabilize power prices (hedge/PPA) with potential access to C&I sector







Market entry in partnership with local municipal utilities

One of the **lowest** onshore Levelized Cost of Energy (LCOE) in Europe

Guidance 2017 confirmed

	€m	
EBITDA 1H 2017	78.2	
✓ Prices		Positive trend vs 1H 2017 expectations
✗ Volumes		Negative trend in 1H: total volumes -9.8% vs expectations
✓ Exchange Ratio		Average exchange ratio in 2H 2017 @ 0.91
➔ EBITDA 2017E	132-136 UNCHANGED	
➔ NFP	(626) UNCHANGED	Subject to potential acceleration of development activities

Final remarks - On Track to Deliver 2017 Milestones

Year 1 Milestone	 Achieved	Next steps
 Initiate strategic expansion into select mature markets with strong fundamentals	<ul style="list-style-type: none"> Norway: acquisition of two consented projects (70 MW) + option on 125 MW under development Started and staffed office in the US and Netherlands 	<ul style="list-style-type: none"> New opportunities under evaluation
 Achieve increased access to pipeline and partnerships with developers	<ul style="list-style-type: none"> Netherlands: agreement with K&P (local developer) to co-develop an initial pipeline of about 150 MW (onshore wind and solar) Strengthened business development management team 	<ul style="list-style-type: none"> New agreements under evaluation
 Complement existing activities with service offerings in asset operations, management, and optimization	<ul style="list-style-type: none"> Vector Cuatro: new opening in Dubai to increase assets managed for third parties Strengthened management team and reorganized business 	<ul style="list-style-type: none"> Vector Cuatro: considering new high value-add services (Performance improvement, Advance analytics, life extension) Scouting “clean energy web opportunities”
 Invest in team and technology to develop active energy management	<ul style="list-style-type: none"> Started in-house dispatching for PV and WtE plants in Italy 	<ul style="list-style-type: none"> Completion of assets dispatched in house in Italy by early 2018
 Continue internal improvement programs aimed at reducing costs	<ul style="list-style-type: none"> Acquired competencies in wind performance improvements areas Framework agreement with providers to reduce O&M cost under discussion Reduction of financial charges Opex in control notwithstanding significant BD effort 	<ul style="list-style-type: none"> Stronger investment in data analytics Innovative continuous ISP re-contracting New technology upgrades to increase availability and efficiency on turbines

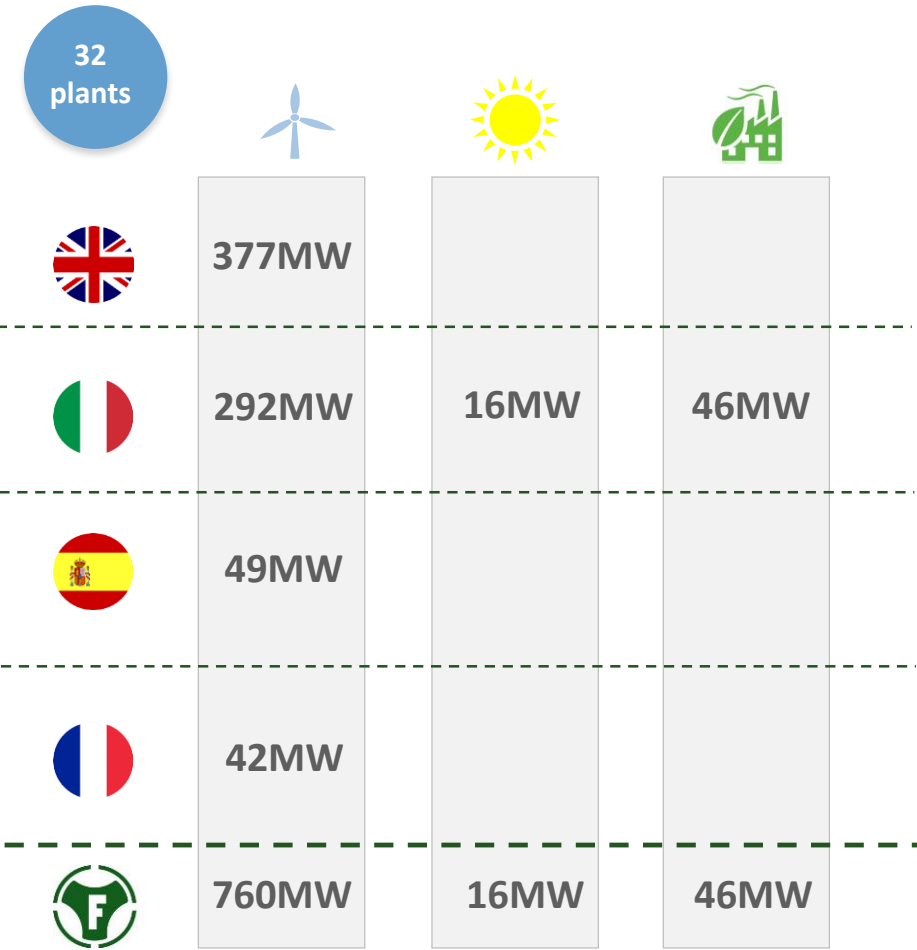
Appendix

Calendar of Events

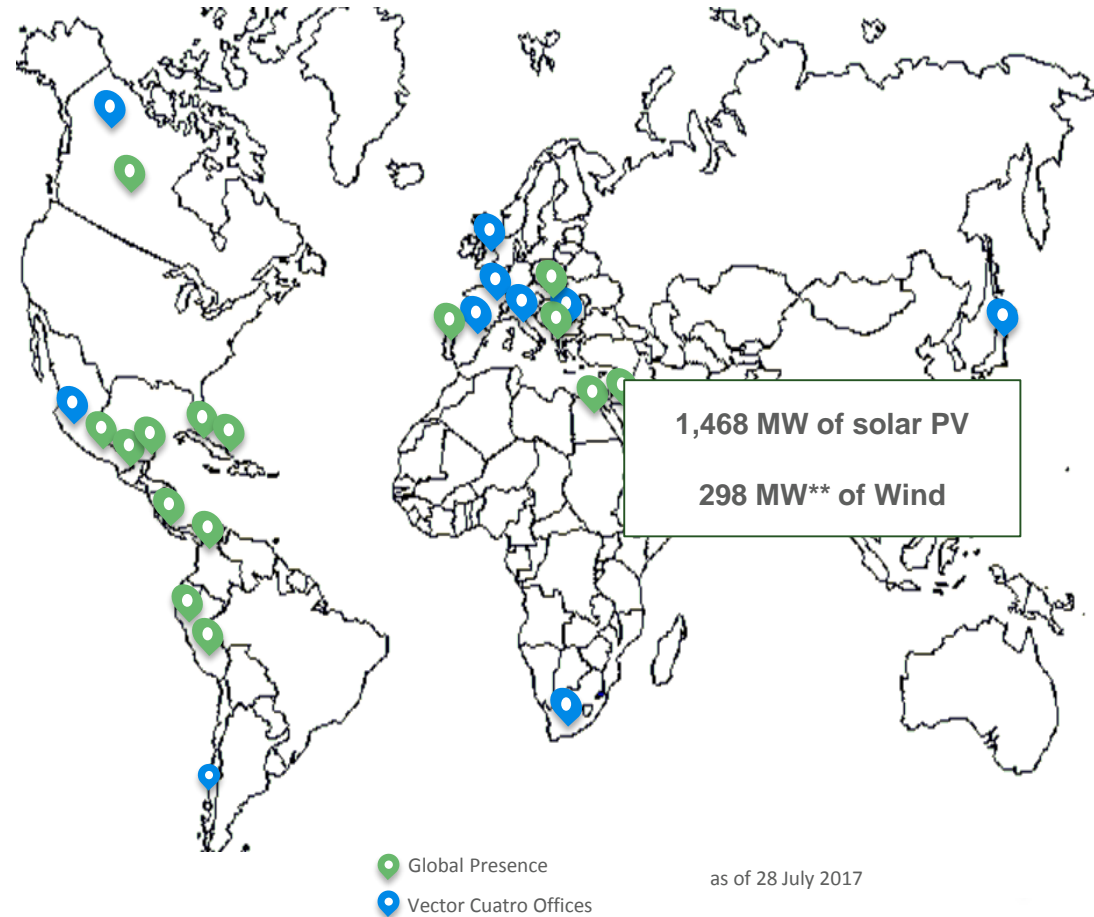
- ✓ **10 October 2017:** STAR Conference, London
- ✓ **9 November 2017:** 3Q 2017 Results
- ✓ **12 December 2017:** Capital Markets Day

Group Overview as of 30 June 2017

858* MW Across Europe



1,766 MW under Management by Vector Cuatro



* Includes minority stake in La Muela (26%) wind farm and Frullo Energia Ambiente (49%) for a total amount of 37MW

** Includes Cabezo (23,2 MW) and France projects (42 MW)

Installed Capacity and Production by Plants in 1H 2017



Plants	MW	Energy produced 1H 2017 (GWh)
Cefn Croes (Wales)	58.5	81
Boyndie (Scotland)	16.7	21
Earlsburn (Scotland)	37.5	55
Ben Aketil (Scotland)	27.6	42
Millennium (Scotland)	65.0	80
Kilbraur (Scotland)	67.5	89
Nutberry (Scotland)	15.0	28
West Browncastle (Scotland)	30.0	38
Spaldington (England)	11.8	13
Kingsburn (Scotland)	22.5	40
Assel Valley (Scotland)	25.0	36
Auchrobert (Scotland)	36.0	19
San Sostene (Italy)	79.5	73
Minervino Murge (Italy)	52.0	41
Buddusò – Alà dei Sardi (Italy)*	138.0	144
Petralia Sottana (Italy)	22.1	16
Ty Ru (France)	10.0	10
Fouy (France)	10.0	8
Cretes (France)	10.0	9
Esquennois (France)	12.0	9
Cabezo San Roque (Spain)	23.3	23



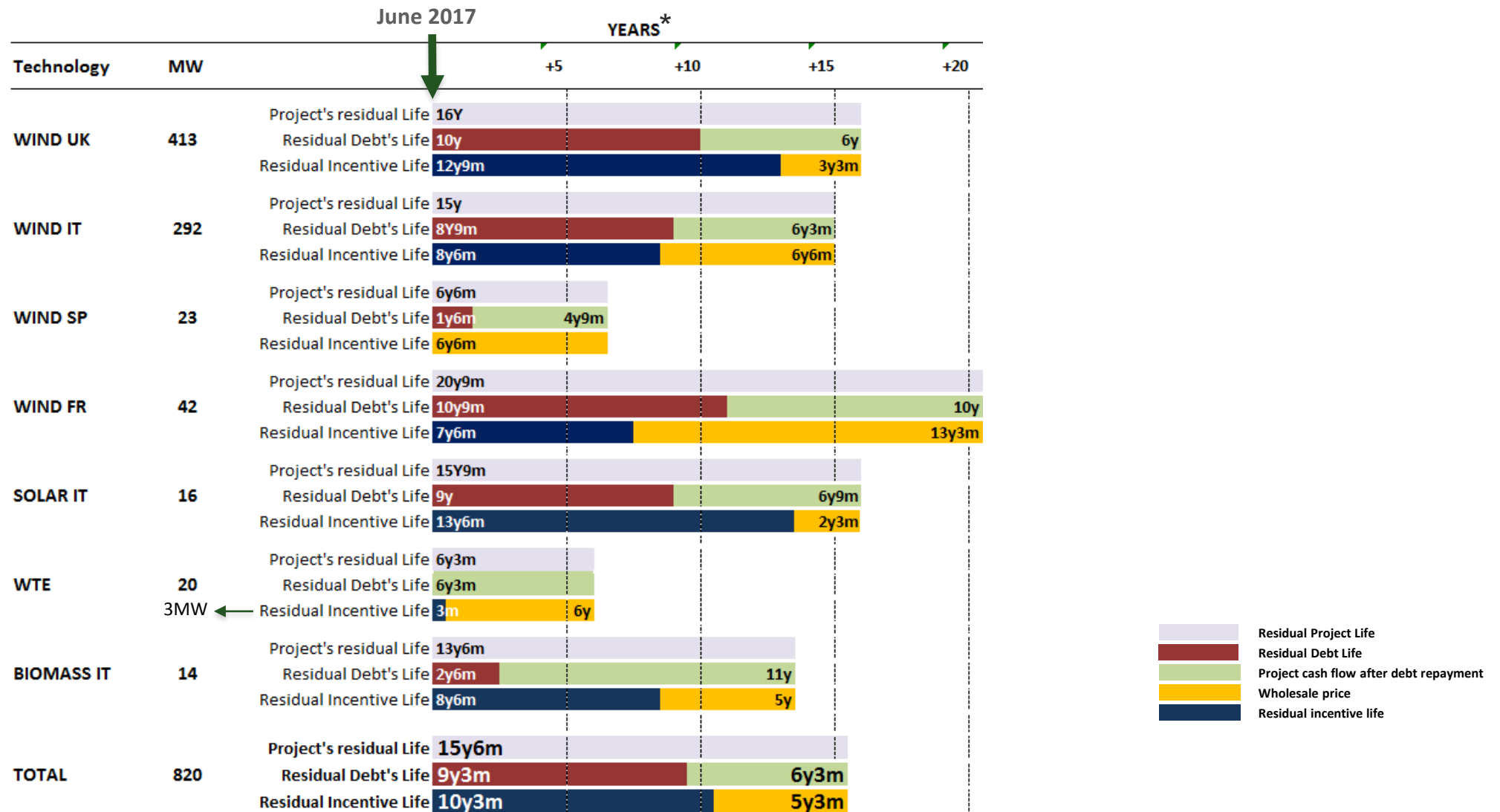
Rende (Italy)	1.0	1
Sicily (Italy)	13.1	10
Mesagne (Italy)	2.0	2



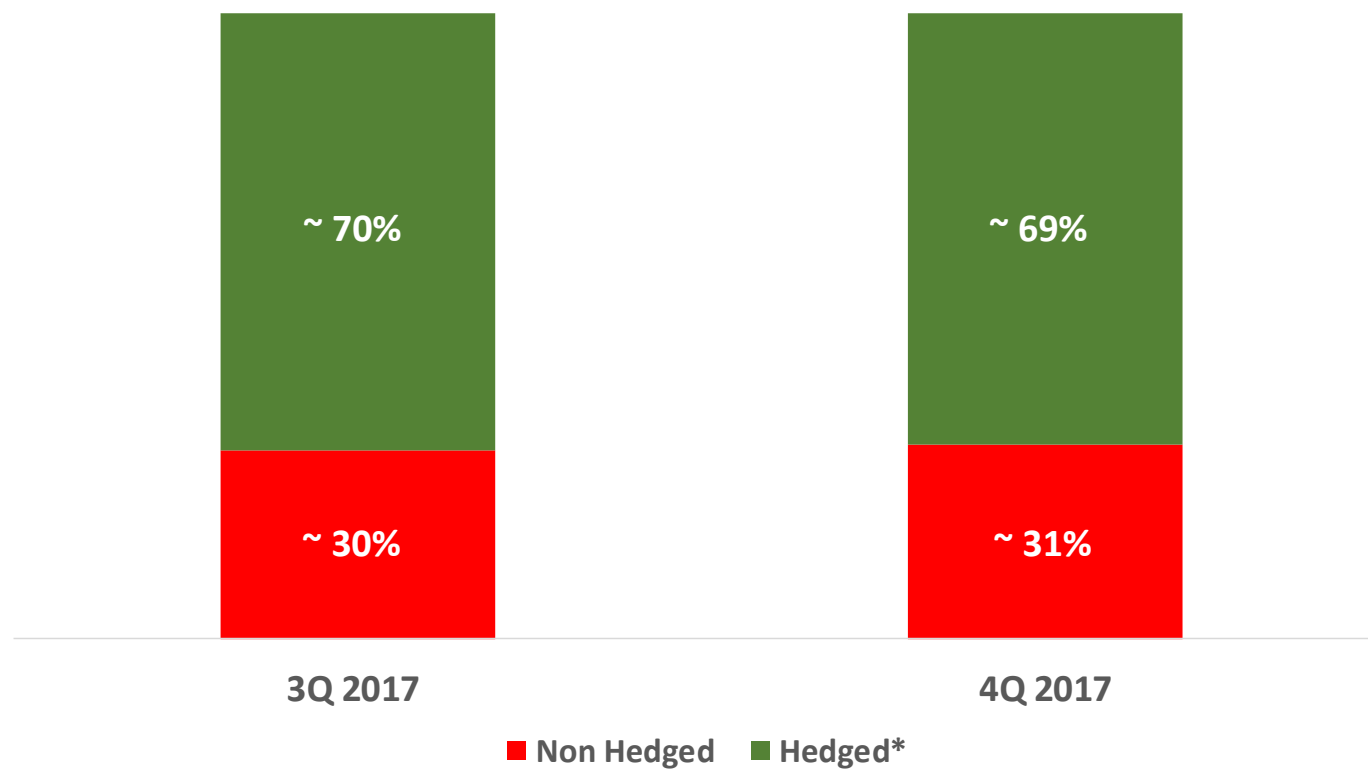
WTE Trezzo (Italy)	20.0	57
BIO Rende (Italy)	15.0	55

TOTAL **821.0** **1,000**

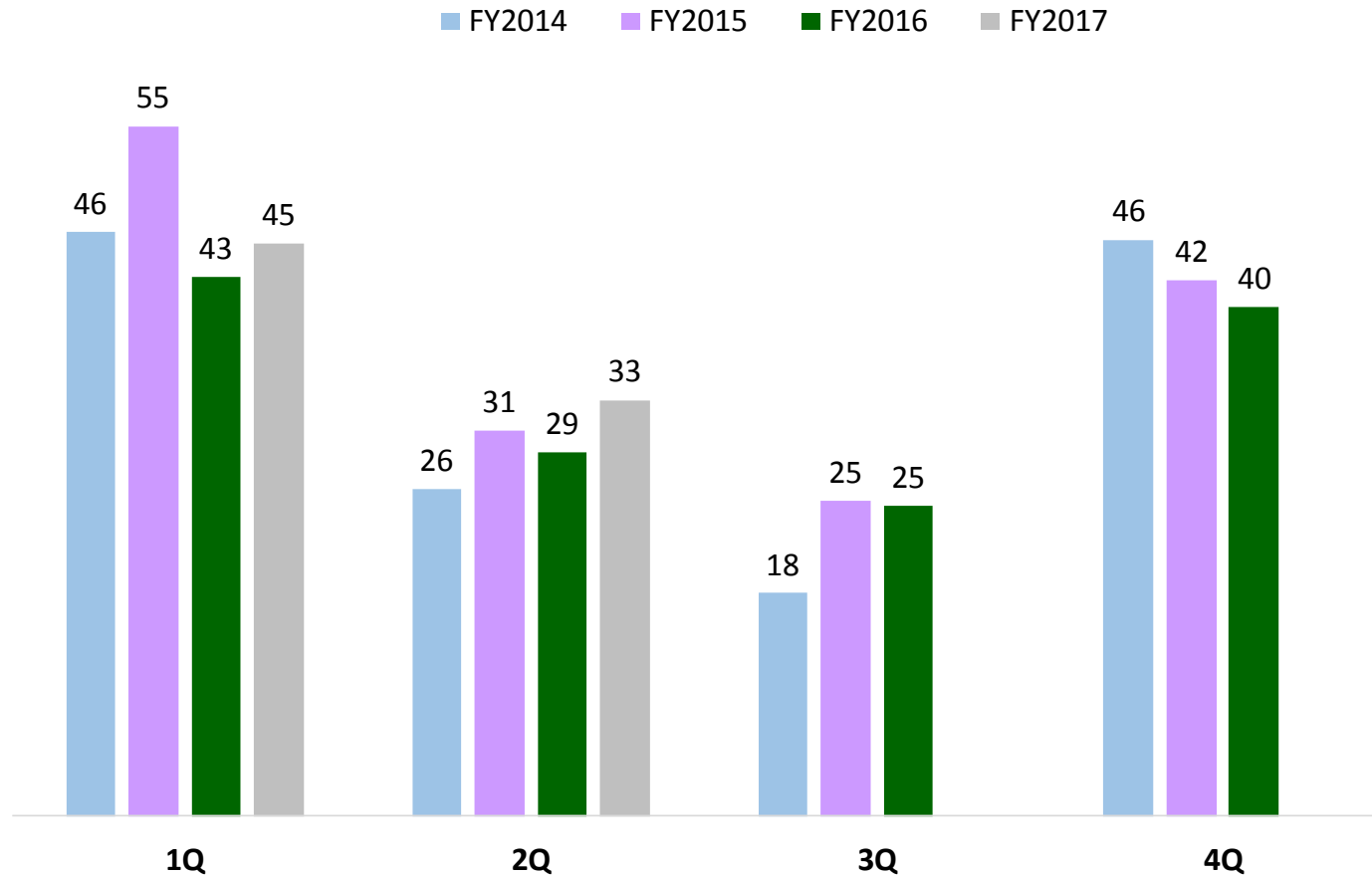
Young Asset Base



Hedged Component of Revenues by Quarter

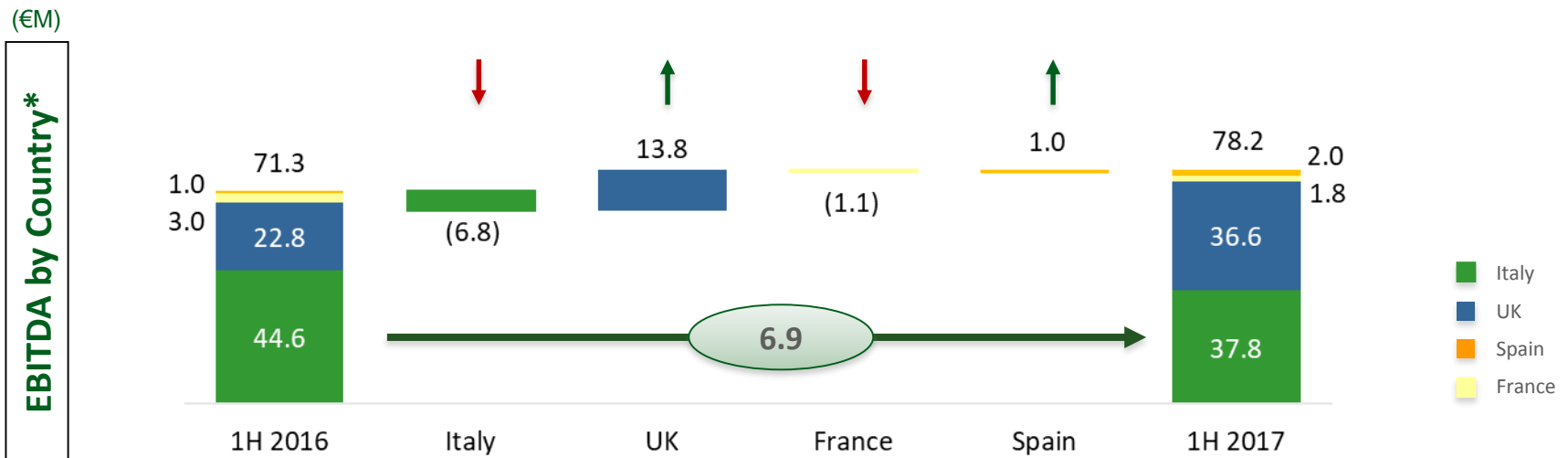
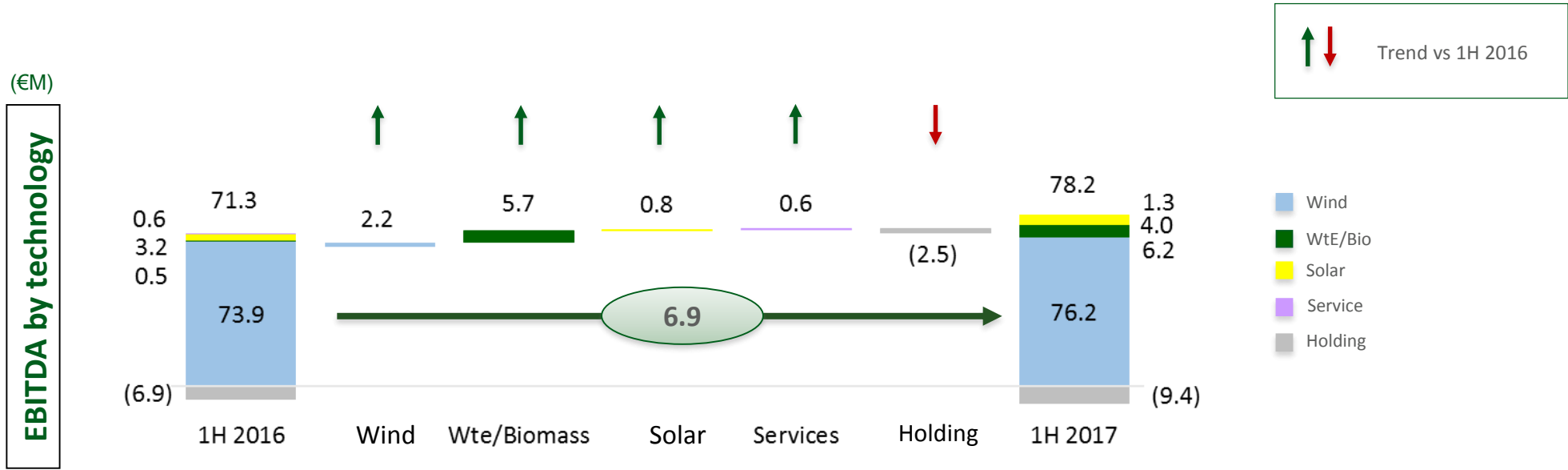


EBITDA Breakdown by Quarter



1H 2017 EBITDA impacted by weak wind performance in Italy, France and Spain, offset by higher energy prices

1H 2017 EBITDA

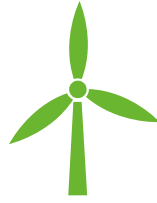


2021 Roadmap: Strategic Priorities to Drive Value Creation



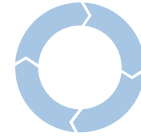
Growing in Mature Markets

- Capitalize on growth in core markets
- Enter select mature markets with strong fundamentals
- Monitor emerging markets for future entry



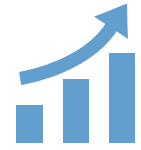
Focus Portfolio and Expand Pipeline

- Onshore wind and solar are core of growth strategy
- Explore opportunities in the customer centered clean energy web (distributed generation, storage, software)
- Evolve asset base and expand pipeline



Extend Core Services

- Continue business core service extension
- Enhance service offerings to asset owners and energy users



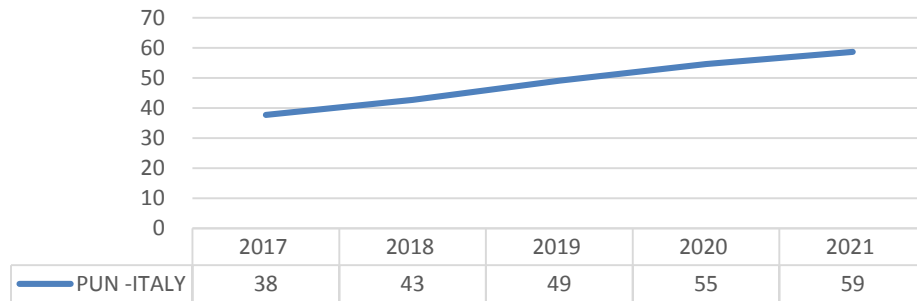
Increase Profitability

- Employ hands-on approach to maximize revenues and value from full life cycle approach
- Increase efficiencies and extract additional value from existing assets

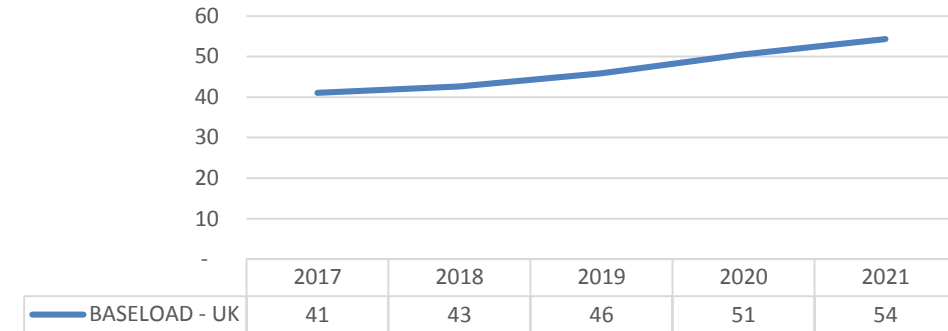
Increase reach and optionality of our footprint

Scenario Assumptions

Energy Curve Italy Nominal



Energy Curve UK Nominal



Inflation Scenario

<i>Inflation</i>	<i>2017</i>	<i>2018</i>	<i>2019</i>	<i>2020</i>	<i>2021</i>
Eurozone	0,90%	1,30%	1,50%	1,70%	1,90%
UK	1,50%	1,75%	2,00%	2,00%	2,00%

Interest Rate Scenario

<i>Interest Rates</i>	<i>2017</i>	<i>2018</i>	<i>2019</i>	<i>2020</i>	<i>2021</i>
Euribor 6M	0,00%	0,00%	0,00%	0,00%	0,22%
Libor 6M	0,40%	0,50%	0,50%	0,60%	0,80%

Exchange Rate Scenario

<i>Exchange Rate</i>	<i>2017</i>	<i>2018</i>	<i>2019</i>	<i>2020</i>	<i>2021</i>
€/£	0,91	0,92	0,93	0,94	0,95
€//\$	1,10	1,10	1,10	1,10	1,10

Capex Scenario

<i>Average Capex 2017-2019 (k€)</i>	
Wind	1.551
Solar	1.040